of revenue as they went on, whereas in the present war the proportion that we are paying by taxation, instead of being 47 per cent., as it was when our sturdy ancestors fought against Napoleon, is less than 20 per cent.* Why has this been so? Partly, no doubt, owing to the slackness and cowardice of our politicians, and the apathy of the overworked officials, who have been too busy with the details of finance to think the problem out on a large scale. But it is chiefly, I think, because our system of taxation, though probably the best in the world, involves so many inequities that it cannot be applied on a really large scale without producing a discontent which might have had serious consequences on our conduct of the war.

It is not possible nowadays, now that the working classes are conscious of their strength, to apply taxation to ordinary articles of general consumption with anything like the ruthlessness which in former days produced such widespread misery. Indirect taxation of this kind carries with it this inherent weakness that its burden falls most heavily on those who are least able to bear it, consequently it is bound to break in the hand of those who attempt to apply it with anything like vigour to a community which is prepared to stand up for fair treatment. A tax on bread or salt obviously hits the wage-earner at 30s. a week infinitely

harder than it hits the millionaire, and so the country would not tolerate taxes on bread or salt. Direct taxes, such

* See *Economist*, August 4, 1917, p. 15;